DOCUMENT RESUME

ED 226 860 PS 013 405

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TITLE Employment-Related Child Care.
INSTITUTION New Jersey State Dept. of Education, Trenton.
REPORT NO PTM-30041
PUB DATE Jul 82
NOTE 43p.
PUB TYPE Viewpoints (120)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Annotated Bibliographies; Community Resources; *Cost Effectiveness; Day Care Centers; *Delivery Systems; Early Childhood Education; *Employer Supported Day Care; Fringe Benefits; Information Sources; Program Design
IDENTIFIERS *New Jersey

ABSTRACT

The two major sections of this report discuss issues in employer-sponsored child care, specifically describing four child-care service alternatives. Issues emphasized in the discussion include the advantages of employment-related child care, financial considerations, and implications of various forms of sponsorship. Additional issues discussed are the rationale for employment-related child care, child care tax benefits for employees, and community resources to help provide employment-related child care services. The four service alternatives described include employer-sponsored child care centers, employer-subsidized child care services, support services for employees with children, and fringe benefits and employee assistance. Several examples are given of the child care service alternatives discussed. In addition, briefly addressed in the report are the need for child care centers, factors associated with successful employment-related child care centers, and employment-related child care in New Jersey. Resources for obtaining additional information and assistance are mentioned, and an annotated bibliography of related readings is appended. (RH)

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EMPLOYMENT-RELATED CHILD CARE

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EMPLOYMENT - RELATED CHILD CARE

I. INTRODUCTION

Mothers of preschool children are entering the labor market in ever-increasing numbers. While the need for child care is rising, funding resources for preschool and child care programs are decreasing. Lack of adequate, reliable child care can constitute a major source of stress in today's family. Moreover, the significant number of parents unemployed or underemployed, due to child care problems, creates a drain on the economy.

This report identifies the factors contributing to the problem and suggests some procedures and resources for a viable solution, employment-related child care. It describes the potential benefits for the employees, their children, the employer, and the community as a whole that can be derived from: (1) child care services which are company-owned, operated, or subsidized and (2) policies which offer assistance and benefits to employees.

Information is given on a variety of options, with descriptions of exemplary models, their organization, and management. The current status of employment-related child care in New Jersey is reported herein, and a list of resources and a bibliography are provided to guide those interested in the provision of adequate, reliable child care as a part of sound business practice.

Since World War II, when the Kaiser Shipbuilding Corporation operated two child care centers for 4,000 children, some industries, labor unions, the military services, government agencies, and hospitals have demonstrated their sensitivity to the needs of their workers by providing child care services or cooperating with community agencies to do so. From that background of experience with the problem, these pioneering groups can serve as resources to others.

This report will be of interest to individuals and groups who now use or provide child care services, to those who are considering such services, and to those who advocate the expansion of child care programs.

II. THE NEED FOR CHILD CARE SERVICES

The increased need for child care results from several changes in our society. In 1978, for the first time, the number of women working outside the home was greater than the number of women who stayed at home. Between 1960 and 1980, the percentage of women in the labor force grew from 37.7 percent to 51.6 percent, an increase of almost 37 percent. Labor force participation rates have been rising faster, however, among mothers with children under six than in any other segments of the population; their participation rate in that 20-year period increased by 141 percent, or roughly three times as much as the general population and four times as much as for women in general.[1] Despite a decline in the number of children under the age of six in the last decade, the number of preschool children with mothers in the work force has increased by 34 percent for a total of 7.5 million children.[2]

While the long-range population trends continue to predict small families and a relatively low birth rate, a leveling off and a moderate upswing have occurred in the past three years. In 1981, there were 8.2 million children in this category, representing a one-year increase of 9.3 percent.[3]

The growing number of children being raised in single parent households creates a further demand for child care services. Ten years ago, one out of every 8.5 children lived in homes with only one parent. Because of the continuing high incidence of divorce and the increasing social acceptance of families headed by a single adult, that ratio grew to nearly one out of five by 1980, an increase of 66 percent.[4] Since these families are more likely to use child care services, the need will continue to rise as the number of single parent families increases.

Although the need for child care is escalating, traditional baby-sitting services are becoming less available. Families are smaller and increasingly mobile, with fewer family members, relatives, or neighbors to help care for children. In the current economic situation, the chances are that, even if those relatives and friends were present, they also would be either employed, in a training program, or searching for employment.

In addition, parents are placing their young children in early childhood programs for reasons other than child care needs, for example, to provide them with enriching social and educational experiences, greater access to small and large group interaction, or expanded opportunities for safe and active play.

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[1] Population Profile of the United States: 1980, Current Population Reports, Series P-20, No. 363, U.S. Bureau of the Census, 1981.

[2] A. Grossman, "Working Mothers and Their Children." Monthly Labor Review, May 1981.

[3] Education Daily, December 3, 1981.

[4] U.S. Bureau of the Census, op. cit.

The varied social and economic objectives of parents and wide public acceptance of early education led to sharp increases in enrollment in preschool programs during the 1970s. Despite a 2.2 million decline in the total number of children of that age group during the last decade,[5] preschool enrollment grew from 1.1 million to 2.0 million, an increase of 81 percent.[6] Even so, public and private provision for programs of care and education has not kept pace with the growing demand. In 1976, it was estimated that six million preschool children of working mothers competed for one million spaces in child care centers throughout the country.[7] Recently, the gap between supply and need has widened, as reduced public subsidies have eliminated or curtailed some programs.

Availability, however, is not the only concern facing today's working mothers. A 1978 survey conducted by Family Circle Magazine revealed that three out of five mothers had changed their child care arrangements in the two years preceding the survey,[8] with half of them citing unreliable care and poor quality as reasons.

Affordability of child care is another issue. Studies have shown that child care costs range between nine and eleven percent of the family budget, making it the fourth most expensive family item after food, housing, and taxes.[9] Costs vary, depending on such factors as the type of child care provided, the number of hours involved, the number and ages of the children, and the extent to which services and subsidies from outside sources supplement the parents' fees. The child care delivery system has been affected by inflation, and parents are finding it increasingly difficult to purchase child care of acceptable quality.

It is ironic that, while the need for adequate, reliable, and affordable child care is increasing, public subsidies are decreasing, thus intensifying the need for alternative child care strategies.

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[5] Grossman, op. cit.

[6] U.S. Bureau of the Census, op. cit.

[7] B. Creque, Labor and Child Care, United Way of America, Alexandria, Virginia, 1976.

[8] J. Whitehead, "Who's Taking Care of the Children?" Family Circle Magazine, February 20, 1979.

[9] Abt Associates, Children at the Center, Final Report of the National Day Care Study, Cambridge, Massachusetts, 1978.

III. ISSUES IN EMPLOYER - SPONSORED CHILD CARE

A. The Rationale for Employment-Related Child Care

Despite a national commitment to the concept of "work-fare," lack of adequate child care constitutes a major impediment to increased labor-force participation. Inadequate child care is a factor in the episodic work history of the underemployed, contributing to the significant number of persons using welfare and other government-subsidized programs. Everyone benefits when people are able to work, pumping dollars back into the economy and contributing to the tax base. The cost of the under-utilization of human resources is borne by every segment of our society.

Whatever the reasons women may have for entering or re-entering the labor force, advocates for affirmative action for women and minorities have become increasingly organized in articulating the economic and psychological benefits resulting when women can work outside the home.

Although governmental subsidies and social services are being reduced or eliminated to encourage more people to seek employment or job training, the purpose may not be achieved if provisions are not made for child care at the same time. Indeed, the United States Commission on Civil Rights has found the lack of child care to be discriminatory, placing equality of employment opportunities out of women's reach.[10]

Employees, employers, child-care advocates and economists have begun to study employment-related child care, both to respond to a national plea for increased private sector involvement and to stimulate our nation's economy through enhancing worker satisfaction and maximizing production. Studying the industrial successes experienced in Western Europe and Japan, economists are returning to the United States with ideas for humanizing the workplace. Labor-management committees--or "quality circles," after the Japanese model--are designing more humane work environments. In this regard, social scientists and educators point out that child care in proximity to the workplace may strengthen family ties and help overcome the separation of work from home.[11] In addition, children cared for near adult work settings can observe a variety of role models, engaging at an early age in the kind of career education that will affect the future supply of workers.

B. The Advantages of Employment-Related Child Care

Recently, national appeals have been made to the private sector to compensate for budgetary reductions in social services. No longer does the once-a-year charitable fund drive combined under one umbrella organization suffice; increasingly, local agencies, institutions, and individuals are enlisting additional support from the corporate community.

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[10] Child Care and Equal Opportunity for Women, Clearinghouse Publication No. 67, United States Commission on Civil Rights, 1981.

[11] U. Bronfenbrenner, "The Roots of Alienation, in Raising Children in Modern America, ed. N. Talbot, Little and Brown, Boston, Massachusetts, 1976.

Despite the clamor for a sharpened sense of social responsibility, however, the current depressed economy dictates that corporations study factors such as cost effectiveness and productivity more carefully than ever. What are the corporate benefits of subsidizing child care services?

Benefits to Employers

In a comprehensive nationwide study of the effects of employer-sponsored child care,[12] 57 of the responding companies reported lower job turnover. This finding was confirmed in a study of the Northside Children's Center, a Minnesota consortium serving employees of a department store, a bank, an insurance company, North States Power, Lutheran Brotherhood, Control Data, and Pillsbury. Turnover among employees who were parents was reduced by 63 percent through use of the service; it was about one-third that of the employees without children.[13] The Methodist Hospital in Arcadia, California, reported that, on the average, employees stayed 2-7 years longer because of on-site child-care services. When training costs, production-lag-time costs, and the average cost of recruitment are computed, "staff turnover" becomes one of the company's most expensive items. In fact, it has been demonstrated, that staff turnover and replacement costs are between 20 and 30 percent of the salary at any given level.[14]

Absenteeism, another costly problem, may also be alleviated by provision of child care. A child care center at or near the work site may prove to be more dependable for parents than arrangements with individual caregivers, who are vulnerable to illness and absence. Seventy-two percent of the companies responding to the Perry study[15] reported lower absenteeism. In the Northside study,[16] absenteeism was reduced by more than 20 percent, while the Intermedics Company of Freeport, Texas, reported that absenteeism dropped by 3,700 employee-hours in the first six months of its day care program.[17]

Enhanced recruitment capability results from child care arrangements. The increased ability to attract new employees from a larger "pool" of candidates, at all skill levels, means that recruitment costs can be reduced even as the quality of the work force is improved. The Perry study concluded that 88 percent of the companies providing child care noted an increased recruitment

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[12] K. Perry, Survey and Analysis of Employer-Sponsored Day Care in the United States, Unpublished doctoral disseration, University of Wisconsin-Milwaukee, 1978. (Dissertation Abstracts International, 39 (1979): 5305A)

[13] G. Milkovich and L. Gomez, "Day Care and Selected Employee Work Behavior," Academy of Management Journal, March 1976.

[14] R. Weber and B. Tulloss, Industry and Child Care: Economic Implications, Unpublished manuscript, available from New Jersey State Library No. 974.90 C536.

[15] Perry, op. cit.

[16] Milkovich and Gomez, op. cit.

[17] "Industrial Child Care Comes of Age," Employee Relations Bulletin, National Foreman's Institute, Waterford, Connecticut, January 21, 1982.

ability, with an additional 21 percent reporting an increased ability to attract minority employees.

In addition, the Perry study found that employment-related child care has a positive effect on morale. Sixty-five percent of the companies providing child care reported a more positive employee attitude towards the employer, and 55 percent reported a more positive attitude towards the work experience. Some companies have cited the savings involved in reduced tardiness. Although no one can compute the value of greater peace of mind for the worker, any manager will recognize the savings to the company in the reduction of time-consuming work interruptions, due to erratic or shifting child care arrangements.

Employers, employees, advocates, and economists seem to agree on one point -- that employment-related child care stabilizes the work force. Joseph Wexelbaum of Red Rope Industries, Bristol, Pennsylvania, offers a child care center without charge to his employees. "After spending over a million dollars to build this plant, we were faced with constant turnover. Absenteeism was rampant, even when we handed people bonuses for showing up. They'd work to make Christmas money, or to pay off a washing machine, and then they'd quit. At year end, we had a stack of W-2 forms thick enough to choke a horse."[18]

Dennis McClintock, president of Brazosport Day Care, Inc., a wholly-owned subsidiary of Intermedics Company states that their center has been cost-effective. He remarked, "We're a high-technology corporation, and all our employees have to go through a six-week training school before they can even go to work for us So, if we lose one of our employees for lack of a child-care program, we're going to lose not only the time we put into training and educating the employee, but we'll also lose a good worker for whom we'll have to find and train a replacement."[19]

Improved community relations were reported by 36 of the respondents; and increased favorable publicity was reported by 60 percent of the companies in the study. Many of these benefits are not easily quantifiable. How can one measure the value of the publicity and good will that Stride-Rite, a manufacturer and retailer of children's shoes, has received for its landmark children's center or the improved community relations noted by Corning Glass Works for the quality of its day care center and child care information and referral service?

To the delight of the child care advocates, economists are beginning to demonstrate the actual cost-effectiveness of corporate involvement in child care. One study[20] concludes that a company can actually save direct expenses, even though it does not claim the tax credits available and does not charge fees to employees. A company offering services on this basis can save $1.12 for every dollar it spends for day care, resulting from the effects on employee turnover, absenteeism, and productivity.

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[18] D. Fooner, "The Bottom Line on Day Care," Inc., May 1981.

[19] Employee relations Bulletin, op. cit.

[20] Weber, op. cit.

Benefits to Employees

The benefits to the parent-employee are equally significant. The most obvious advantage to the availibility of reliable child care at a savings. With child-care problems a leading source of stress in today's family, employees who are confident about their child care arrangements can better concentrate on their jobs, feeling less conflict between job and family roles. The greatest potential advantage is the strengthening of the family unit. When parents and children commute together and have easier access to each other, even during times of illness or emergency, family ties are maintained and strengthened. Another advantage is improved parenting skills developed through daily parent-teacher contact, lunch-time conferences and workshops. Most employment-related child care centers incorporate a parent advisory board through which parents may have a voice in decisions that affect them and their children.

C. Financial Considerations

Despite a resurging interest in employment-related child care in the past two years, companies are proceeding with due caution because of financial considerations. The direct costs of child care may be modified by subsidies from unions and community agencies and by tax incentives available to the employer and the employee under provisions in federal laws.

However, information on tax benefits changes with changes in rulings of the Internal Revenue Service, and actual tax benefits vary according to specific situations. Moreover, profit or non-profit status may affect the tax picture. For these reasons, companies should study their options carefully and seek the advice of a tax attorney on such questions as:

1. Which options best fit the needs of the company and its employees?

2. Should the sponsoring company operate the child care service as part of its business ventures or as a separate non-profit entity?

The tax benefits that might accrue to either corporate or institutional providers of child care fall within three general categories: deductions of necessary business expenses, depreciation or amortization of capital costs, and deductions for charitable contributions to non-profit agencies. The three types are summarized below.[21]

1. Benefits available to corporations as ordinary and necessary business expenses. Under Section 162 of Internal Revenue Service Code, employers may deduct operating expenses, i.e., the non-capital costs, of employer-provided child care as ordinary and necessary business expenses. A land-

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[21]All material in this section, unless otherwise cited was derived from the following sources (see references, p. 28 for complete citations): Bay Area Child Care Law Project, 1980, 1981; Commerce Clearing House, Inc., 1980; Internal Revenue Service Code, Malone, M., 1981; Prentice-Hall Federal Taxes, 1981; Rankin, 1981; Women's Bureau, 1981. Individual decisions regarding the structure of a business venture should be made after consultation with legal and business advisors.

mark IRS Revenue Ruling in 1973 (73-348) found that a corporation can deduct the cost of payments for preschool children of employees, if the per-child expense is reasonable and if the employer reaps direct benefit by reducing turnover and absenteeism.

Deducible business expense include such items as salaries (which amount to between 70 and 80 percent of the cost in a day care center), supplies, monthly rent, other items incurred on an annual or more frequent basis, and even services other than those provided in on-site or off-site centers. The costs for almost any child care service provided by the employer for the employee are completely deductible as business expenses unless they are considered a charitable deduction. This would include the vendor and voucher system, information and referral services, and sick-child care. (All these options are described in Section VI, Child-Care Service Alternatives.)

2. Benefits available to employers for capital costs. An employer providing an on- or off-site center can qualify for deductions for the capital costs through either depreciation or amortization. A depreciable asset includes the portion of the building in which the center is located (exclusive of the land), furniture, appliances, or any items not consumed or destroyed within one year. One may choose straight-line depreciation, which is calculated by subtracting the salvage value from the basis and dividing the remainder by the useful life, a figure which then remains constant throughout the life of the asset; or accelerated depreciation, with a large deduction the first full year and a steady decline in the amount of the deduction each succeeding year. The two most popular methods of the latter choice would be "declining - balance" and "sum-of-the-years digits" depreciation. An additional first-year depreciation may also be claimed.

   Code Section 188 of the Revenue Act of 1971, relating to amortization of day care facilities, allows for a more rapid write-off for child care facilities, with no direct bearing on its decrease in value. The employer may deduct costs over a 60-month period, regardless of the estimated life of the asset. In this case, the employer would not qualify for an investment tax credit and, in addition, might be subject to additional taxes under Section 56. Section 188 was provided so that employers would have an alternative method of deduction, rather than a substantially increased tax benefit. Employers may derive maximum tax benefits, therefore, by electing to amortize some assets and depreciating others.[22]

3. Deductions for charitable contributions to non-profit agencies. A company may find it advantageous to secure tax-exempt status for its on-site or off-site center under Section 501 of the Internal Revenue Code, which permits donations to the center to be treated as charitable contributions. The center may then operate tax free, and any profit will be tax-exempt. To be eligible for this legal procedure, the center must be open to all children in the community and may not favor the children of employees.

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[22] R. Roth, "Amortization of Expenditures for Child Care Facilities," Taxes-The Tax Magazine, February 1979.

D. Implications of Various Forms of Sponsorship

Once the decision to establish a center is made, the company must decide on the nature of the sponsorship. Shall the center be a part of the company? Or should it be a separate profit-making corporation or a non-profit corporation, state law permitting, eligible for a tax-exempt status? Each option in sponsorship carries a set of financial implications for the employer.

When operating the program as part of the business, the employer has direct control over the operation of the center, including enrollment and finances. All expenses are deducted as ordinary and necessary business expenses. Even a tax-exempt employer, such as some hospitals, may treat child care as a business expense and deduct costs from revenues when calculating the organization's income. This option reduces paper work, while increasing liability to the sponsoring employer, who may need additional insurance protection.

A separate "for-profit" program (a legal rather than financial term) would treat the parent company's investment, whether a loan or a stock purchase, as any other capital investment. If a "not-for-profit" program is established as a separate legal entity, the employer may pay for services to employees and deduct the costs as business expenses, as discussed above. Donations may not be deducted from federal taxes as charitable contributions unless the program has a tax-exempt status.

Sometimes several individual corporations or institutions join together in a consortium (see section VI) which collectively sponsors a child care service. The consortium must decide whether to form a corporation or a partnership. Stockholders in a corporation will realize no tax benefits, since the cost of the stock is not considered a depreciable capital expense or a business expense. Therefore, a partnership may be the preferred business structure, as it is a tax-reporting rather than a tax-paying entity, and its gross income, business deductions, and annual depreciation pass through to the employer-partners on a pro rata basis.

Another business structure is the voluntary employees' beneficiary association, such as employee-financed health and welfare funds (Code Sec. 501 (c) (9)). These are tax-exempt on the condition that no part of the net gain benefits any individual other than through the stated purpose of the organization. The interpretation of this code may be favorable to employers considering the establishment of child care facilities for their employee's children.

Several state governments encourage employment-related child care through legislation benefitting employers -- tax credits for start-up costs, construction, renovation, operation, maintenance, depreciation, contributions, work incentives, low-cost loan programs; and legislation benefiting employees -- state tax credits for care of dependent children.

E. Child Care Tax Benefits for Employees

Two new provisions in the Economic Recovery Tax Act of 1981 (ERTA) have been particularly beneficial in helping employee-parents meet child care

expenses. First, prior to the passage of ERTA, confusion surrounded the tax status of a child care benefit paid or made available to an employee by an employer. Under the new "Department Care Assistance Programs" (Internal Revenue Code, Section 129), day care services in fringe benefit packages are not included in an employee's gross income, and, therefore, are not taxable.

The second provision of the ERTA (Internal Revenue Code Section 44A) expands the amount of child care expenses that can be used to determine tax credits. For all taxpayers, the maximum is $2400 for one child (about $45 a week per child) and $4800 for two or more children. The act establishes a sliding scale for the child-care tax credit so that families earning $10,000 or less will get a 30 percent credit which decreases 1 percent for every additional $2,000 of income. For example, taxpayers with adjusted gross incomes of $28,000 can receive a 20 percent credit. While the increases of the limits are relatively meager, the sliding scale is seen as a good beginning for future negotiations to make the tax law more beneficial for low income families.

F. Community Resources to Assist Employment-Related Child Care Services

Traditionally, community agencies and institutions, such as community schools, community centers, colleges and churches, have sponsored, housed, and cooperated with other organizations in a variety of ways, to provide child care services. With diminishing public funds, many are beginning to pool their resources with industry as a way of maintaining and enlarging their programs, while helping to meet the needs of both the employer and employee.

Labor unions have been a powerful force in negotiating with management for child care services. A 1969 amendment to the Taft Hartley Law made it possible for them to provide child care for their members through their own funds. For example, the Amalgamated Meat Cutters, Local 472, and the Service Employees International Union, Local 47, cooperatively finance a child-care center in a low-income housing development. The Amalgamated Clothing and Textile Workers Union negotiated an agreement with 45 manufacturers in a five-state region and now operates six centers serving approximately 1,100 children.

IV. CHILD-CARE SERVICE ALTERNATIVES

Child care services can be provided by employers in two ways: through company-owned, operated or subsidized child care, or through employee services, benefits and policies. Each method has advantages and disadvantages related to involvement, costs, risks, availability, and resources. No single model can be recommended above others. Furthermore, it is neither necessary nor appropriate for every company to get into the child care center business.

Development of employment-related child care services has sometimes been impeded because employers and employees are not aware of the various options in child care services or believe that there is only one solution to their problems. There are alternative ways for employers to sponsor child care services and varied methods of easing employee access to services delivered by others. These differing models are described in the following pages. The employer and employees must examine the relative merits of each option or combination of options, in order to determine what will best meet their needs.

A. Employer-Sponsored Child Care Centers

Although child care centers assume a variety of forms, sponsorships, and administrative styles, several characteristics differentiate a child care center from other forms of child care, such as babysitting or family day care. First, a child care center provides group care for children. The minimum size of the group is defined by regulatory procedures in most states, and centers enrolling that number or more must comply with the licensing standards.[23] Licensing helps assure that the caregiver is a person trained to work with young children and that there will be a safe, supervised program.

Second, a child care center most often enrolls 2½- to 5-year-old children. Some programs offer care for infants and toddlers, however, while others enroll 5 to 6 year old children. In addition, some companies have added provisions for sick-child care, after-school care, and summer camps for all ages. (The present discussion is limited to center-based care.)

Third, most child care centers have a daytime schedule of eight or more hours. Employment-related child care centers usually tailor the hours of center operation to meet the needs of employers and employees. This is especially true of industries and hospitals where employees work in shifts. Some plants have even begun to offer night-time care.

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[23] At the time of this writing, all New Jersey programs charging a fee and serving at least six children between the ages of 2-5 must be licensed by the Bureau of Licensing, Division of Youth and Family Services, Department of Human Services. Although some programs sponsored by churches, municipalities, and school districts are exempt from licensure, employment-related centers would have to comply with the regulations. These regulations include specifications for the physical facilities, indoors and out; health and safety features; staffing ratios; teacher qualifications; and programmatic guidelines. Specific information can be obtained by requesting the Manual of Standards for Child Care Centers, Bureau of Licensing, One South Montgomery Street, Trenton, New Jersey 08625.

Finally, most child care centers depend on parent fees for all or part of their operating costs. This is true of most centers sponsored by employers as well.

Almost everything else about an employment-related child care center is unique to the individual needs of the employer and the affected employees. The center may be located within or near the company plant, in space designed for that purpose or adapted or renovated for use as a center, following state and local codes. Or, in the case of a consortium of industries, a center may be established in a central location.

The necessary management decisions about the child care center may be made by a designated company staff person, an employee hired to administer the center, or a consultant who will also help hire the director. Based on financial and legal considerations, the center may be operated as a division of the parent company, a subsidiary corporation, a partnership, an independent non-profit organization, an individual licensee or child care franchise, or some combination of these options. If the sponsoring agency is responsible for administration, some questions must be considered:

1. Will a parent advisory board be established to advise the decision makers? Ideally, the members of a policy-making board should:

   a. represent many areas of expertise,

   b. have relatively compatible points of view regarding the care and education of young children, and

   c. be representative of the staff, the parents, and each sponsoring agency (a church which donates or leases the space, for example).

2. Will the center enroll only the children of employees in one company, serve several companies, or be open to community children as well?

3. What portion of the costs will be met by parent fees, and will these be based on a sliding scale according to income, or on the number of children in each family using the center?

Child Care Centers Sponsored by Corporations

The benefits to the employer and employee of employment-related child care are especially observable when the chosen option is an on- or off-site center. While this option represents the greatest investment of time and money, it also provides the sponsor(s) the greatest opportunities for control. Hours and days of service, for instance, can be scheduled according to the needs of the company. Properly operated, it can provide high quality at a reasonable cost--a factor vital towards insuring employee satisfaction and continued operation of the center, thereby protecting the company's investment. Moreover, it offers the maximum in convenience to the parent and in benefits to the child.

The following examples demonstrate ways some employers have provided center-based child care for their employees.

Stride-Rite of Boston. The classic example of on-site child care is Stride-Rite of Boston, Massachusetts. Established in 1971, the center occupies what was originally office space on the first floor of the company's plant. Incorporated separately as a non-profit organization, the program costs about $60 per week per child, but employees pay only ten percent of their salaries in tuition. Government subsidies help to support the program through food programs, federal reimbursement of 75 percent for the cost of installing a new kitchen, and Department of Welfare payments for community children. Start-up costs ($100,000) and maintenance over a four-year period were paid for by Stride-Rite and deducted as a charitable donation. The Stride-Rite Foundation pays the balance of the cost per child. The success the center enjoys is due in large part to the decisions made at the time it was established: company sponsorship, parent participation, competent staffing, and outside sources of funding have all had a part in making the center work.

Stride-Rite publishes a booklet, "How We Do It," available without charge from the company.

The Employee's Center for Young Children, Inc., Rahway, New Jersey. This is another off-site employer-related child care center that serves community children as well. It was initiated by Merck and Company, Inc., in Rahway, New Jersey, which provided funds for a steering committee to do a feasibility study and later donated a substantial grant for start-up costs. The center is now a separate corporation depending almost entirely on parent fees and fund raisers for meeting its operating expenses. The program is designed to meet the developmental needs of children, while encouraging individuality and exploration through a variety of learning experiences. Probably the most important factor in the success of the center, however, is the continued involvement of parents, from the initial steering committee, policy-making groups, and fund raisers to the "open-door" atmosphere that encourages parents to visit at any time throughout the day. The directors, past and present, explain that decisions must be made by the people who are using the center, to insure that the center is meeting their needs.

The Hoffman La Roche Child Care Center, Nutley, New Jersey. The La Roche center is an on-site facility serving 43 children of employees. Initially sub-contracted to a private provider, the company assumed management responsibilities after two years and now operates the center as a not-for-profit subsidiary of the parent corporation. Director Dianne Keel feels that much of the center's success is due to the fact that the children as well as adults were consulted when the company's needs were assessed prior to the management changeover. Children's ideas helped to shape the operating policies.

Corning Children's Center, Corning, New York. An example of a successful company-sponsored off-site center is the Corning

Children's Center in Corning, New York. Its success is largely due to broad-based community support resulting from services provided to children from all segments of the population. The Corning Glass Works Foundation provided start-up costs and subsidized operating expenses, and the First Presbyterian Church provided space and maintenance, charging only for the approximate cost of utilities. The center's long-range financial support was, therefore, insured. Parent fees account for two-thirds of the current costs. From the earliest proposal, which stressed the involvement of parents and the community, community resources have subsidized the program. The local school district provides hearing tests; the Lion's Club screens for visual problems; a psychologist volunteers consultative services; and a local pediatrician is available for emergencies. A hospital furnishes lunches at cost; a senior citizen program supplies bookkeeping and other office services; and the community college gives credit to students working at the center.[24]

Mercer Children's Center in Trenton, New Jersey. Children of employees of Mercer Medical Center are cared for in space leased from the Covenant Presbyterian Church about a mile away from the hospital. The center received start-up funds from the hospital, becoming self supporting after 16 months of operation. Administrators predict a gain of between $10,000 and $12,000 in future years. They believe that part of their financial success is due to the fact that they can process supplies and equipment through the medical center's purchasing mechanism. In addition, the center is able to operate at full enrollment continually, because community children are also eligible to attend.[25]

Hospitals were the first major employers to sponsor centers in large numbers. Nurses are in short supply and, because the majority of their work force is female, hospitals have viewed child-care centers as a way to recruit women in a tight labor market and to keep them working after they have started a family.

Services Provided by a Corporate Consortium

Another form of center-based care is the off-site consortium, in which a group of employers cooperate in sharing the costs and responsibilities of establishing a child-care center. The cooperative effort allows each company to expend fewer resources, while providing quality child care to its employees at subsidized rates. This model may be a particularly good choice for companies needing center-based care for only a few employees. It may be located near the worksite, in a downtown business district or industrial park, or in the neighborhood in which many of the employees and their families live. Cooperating employers subsidize costs through assis-

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[24] J. Gaines, "A New Corporate Mold: Corning Opens a Children's Center," Appalachia, February 1982.

[25] D. Fischer, "Mercer Children's Center," Mercer Business Journal, February 1981.

tance in areas such as management, budget, personnel, fiscal analysis, and legal services, and through representation on the board of directors.

Some typical examples of child care services provided in consortium-operated centers are described below.

The Broadcasters Child Development Center, Washington, D.C. This center serves a consortium of industries with a similar purpose, for which special tax credits are available. Planning and investment funds were donated by the National Academy of Television Arts and Sciences (NATAS); with five major television stations and one radio station donating the start-up funds. Policies are set by a board of directors which includes representatives from NATAS, the five funding stations, the church that leases space to the program, and the neighborhood parents. The board has set enrollment at 45, including 25 infants and toddlers. Current parent fees range from $255 to $300 a month per child, depending on age. The program has a developmental approach with a "scoop-em-up-and-kiss-em" atmosphere.[26]

The James Street Neighborhood House Child Care Center, Newark, New Jersey. In this center, day care is offered to the children of five major Newark-based corporations--two utility companies and three major insurance companies. The space is donated by the Protestant Community Centers, Inc. in the Second Presbyterian Church. The center offers quality care in facilities that are close enough for the parents to visit during their lunch breaks. Financing started when the Mutual Benefit Insurance Company donated $3,000 for start-up costs. "That started a domino effect," said Director Tony Peele. "Then other foundations and corporations began to match dollars that were for renovation, not program."[27] The center continues to receive donations of goods and services, as well as sporadic financial contributions, but its main support comes from parents' fees.

The North Side Child Development Center, Minneapolis, Minnesota. The center is the outcome of a consortium initiated in 1971 by Control Data Corporation in cooperation with the Federal Reserve Bank of Minneapolis and Dayton-Hudson. Later they were joined by Northwestern Bell, Northern States Power Company, Farmers and Mechanics Savings and Loan, Pillsbury, and the Lutheran Brotherhood Insurance Company. Funds from these companies have been augmented by federal Title XX federal dollars. In 1977, the annual report showed "turnover and absenteeism significantly reduced" in the sponsoring companies, as determined by a study conducted by University of Minnesota researchers.[28]

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[26] P. Reeves, "A Single Idea" Working Mother, March 1982.

[27] Personal communication, Spring 1982.

[28] G. Milkovich and L. Gomez, op. cit.

Sandy Hook, New Jersey, Consortium of Government Agencies. Government agencies have also joined together in sponsoring child care centers. Currently, there are five consortium centers in the Washington, D.C., area and at least twenty more well-known centers throughout the country. One little-known government-sponsored consortium exists in Sandy Hook, New Jersey. In space that originally housed Fort Hancock dependents and is now donated to the center by the United States Department of Commerce, the center is open to employees of the Department of Commerce, National Fisheries Services, the Coast Guard, and the National Park Service. The center was started by employees who continue to serve as policymakers through the Board of Trustees. It is a non-profit, incorporated venture and, in addition to a regular preschool program, offers infant and toddler care, drop-in care (requiring one day's notice), and after-school care serving the Middletown Township School District.

Corporate Cooperation with Other Providers

Labor unions sometimes sponsor child care centers. The Amalgamated Clothing and Textile Workers Union probably has the longest history of involvement. The Baltimore Region of the ACTW supports six centers for children of union members through the cooperation and funding of the employers who contribute to the union health and welfare fund. This substantially subsidizes operating costs, thereby greatly reducing parent fees.

Another way in which a company can offer center-based care at or near the work site is to renovate, build, rent, or donate space to a private provider. The provider may be the satellite program of an existing center, whose personnel know the local situation well and whose reputation is already established in the community.

Purchasing services from a franchised provider can also bring certain advantages. A reputable, established childcare franchise can offer the expertise that the company lacks. The franchise assumes all financial and administrative responsibilities, including such risks as underenrollment and mismanagement. The employer has limited initial capital outlay, paying only for the actual care delivered, and has the option of subsidizing whatever portion of parent fees it desires. In addition, the franchise may make possible lower-than-average rates, because its parent organization is large enough to be efficient in management, buying power, and fringe benefits, which are a significant expense in a labor-intensive industry such as day care. If a franchise is chosen, its personnel policies and "track record" in providing the kind of program desired must be carefully assessed for quality, so that the center will enjoy all the benefits the larger company can offer, with none of the problems.

When a group of employers hires a proprietary service, risks are further reduced. Several employers combined find it easier to assure the critical number of employees needed to sustain the program. Each company can regulate its costs by purchasing only the

type of care desired. Moreover, employees can exercise de facto control over a center through the number of representatives they have on the board of directors. Whatever choice the company makes, it should work closely with a child-care consultant in making the decision.

B. Employer-Subsidized Child Care Services

For companies electing not to get directly involved in the child care field, there are alternative ways to help employees obtain services. An innovative way to involve employers, with relatively few risks, is the vendor system, in which the employer purchases a specific number of "slots" in an existing center for employees of the company and then offers these at a reduced price. The fees may be computed on a sliding scale, based on the income and/or family size of the employee.

A similar alternative is the voucher system in which an employee is given a voucher, coupon, or credits towards the purchase of child care from any provider the parent chooses. The voucher system represents even less involvement for the employer than the vendor system, as the responsibility for locating and selecting child care rests entirely with the parent-employee.

Both of these models are in the self-interest of the employer, and their use strengthens and improves the entire child care community. The reductions in federal funding for social programs since 1980 have curtailed and eliminated many child care programs. Endangered centers have had to lower standards, cut back on services, or close their doors entirely. Through company support, existing programs can be maintained and strengthened. Examples of successful vendor and voucher programs are the following:

Orlando 4C Vendor Program. The prototype of the vendor model is located in Orlando, Florida, and is now being replicated in other areas.[29] Citrus growers sought help from the Community Coordinated Child Care Agency (4C) in locating provisions for child care for migrant workers. Together they developed a system by which the agency contracts with existing centers for a specified number of slots, not to exceed 30 percent of a center's spaces. The 4C staff then helps the worker choose from the list of approved providers several that match his or her child care needs. The agency is now extending the services to other employers. Since the agency handles the billing for both the center and the employer at a nominal fee, the arrangement benefits everyone.

Voucher Systems

Polaroid Corporation in Cambridge, Massachusetts, finds that the voucher system works best for them, as many of their employees commute long distances and prefer to leave their children in centers close to their

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[29] In Elizabeth, New Jersey, the Union County 4C Agency is planning a similar program with several large corporations and one utility company.

our neighborhoods. The Ford Foundation in New York City also uses the voucher system. In Sunnyvale, California, "Choices for Children," funded by the State Office of Child Development, locates and matches child care for 300 children and handles the flow of money from parents (about 10 percent of the cost) and the state to the providers.

Although the innovative vendor and voucher systems involve the least risk to the employer of all the options mentioned so far, they have several disadvantages. The most obvious is that they do not increase the available supply of providers, even though they can serve to strengthen and improve existing programs.

A second, less obvious problem, is that the voucher model has no built-in system of quality control. With an image to protect, companies would not want to operate or subsidize poorly-managed centers over which they have no control. A company might exercise quality control through a vendor or voucher system by limiting purchase only to licensed or registered child care centers, by becoming a family day care sponsor,[30] or by contracting for services with an established sponsor.

C. Support Services for Employees with Children

There are many other ways in which companies can help their employees obtain child care, as summarized in the following pages:

Information and referral

Companies often elect to provide child care information and referral services, which helps parents find and select programs that are appropriate and convenient. For some employers, this proves to be a preliminary step before developing more comprehensive services. Although it serves important needs, especially for hard-to-find arrangements such as care for infants and handicapped children, it represents a minimal commitment and low costs. A company may contribute to or contract with a local referral agency, join a consortium of companies that jointly underwrite administrative costs, or develop an in-house capacity. Referral activities may include securing and developing lists of centers, preschools, and family day care providers; gathering information about each arrangement; printing and publishing maps and brochures; and answering consumer questions. Information includes sources of financial assistance, tax information, and guides and resource materials for those interested in opening a center or providing care at home.

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[30] "Family day care" refers to small group care, usually in the home of the provider. In some states, there are licensing or registration procedures and legal limits on the number of children cared for. In New Jersey, family day care programs do not require a license, but they may serve no more than five children between the ages of 2 to 5 at a time, although there are currently no legal limits for children of other ages. A number of family day care sponsors, often affiliated with agencies, institutions, or corporations, recruit providers and offer

technical assistance in such areas as health and safety, governmental and community resources, program ideas and information on child development, purchasing and budgeting, etc.

Examples of referral and information services follows:

> One of the most comprehensive services is the computerized information and referral system for Hennepin County, Minnesota, which includes Minneapolis. It was begun by three non-profit child care information and referral services and subsidized by Honeywell, Inc., which provided computer expertise in setting it up. Northwestern Bank Employees Council, Northwestern National Life Insurance Company Tennant Company Foundation, Marquette National Bank, and Northwestern Bell Telephone Company all use the service.
>
> In 1970, Illinois Bell established an information and referral system which assisted family day care recruits in becoming established, while helping to solve the child care problems of 473 employees in a two-year period.
>
> Among the other agencies and corporations which offer a variety of information and referral services are the Child Care Resource Center in Cambridge, Massachusetts; the Child Care Switchboard, in San Francisco, California; Polaroid Corporation in Cambridge, Massachusetts; and Corning Glass Works in Corning, New York.

Parent Education.

Parenting information is another child care service that involves a minimum commitment of resources, while offering a needed service. Some examples of corporate activity along this line are these:

> American Telephone and Telegraph in Piscataway, New Jersey, now offers two-hour programs to their employees on a variety of topics that include child care resources and child-rearing information.
>
> Lunch-time parent education seminars are offered to 30 corporations in Houston through the Texas Family Institute. Volunteers come into the company to lead a brown-bag lunch seminar on topics such as "how to find and choose a day care center" and other parenting questions. The "noon time seminars" have now been expanded to 20 Texas communities. Funding has come from a state welfare agency, local child care agencies, major utility companies, a department store chain, a manufacturer, a life insurance company, a hospital, and municipalities.

Care of Sick Children.

The average American child is ill 10 days a year, forcing the working parent to stay at home, be late for work, or go to work feeling guilty or worried. Recognizing the extent of the problem, a few companies provide home care for the child (e.g., Berkeley Sick Child Care Program) or a day care service for the recuperating child (e.g., Wheezles and Sneezles Day Care Center, part of the Berkeley Project). Other examples of corporate assistance with working parents' responsibilities for their sick children include the following:

Stride-Rite Children's Center in Boston, Massachusetts, and the Intermedics Center in Freeport, Texas, employ the services of a nurse to take care of sick children on the premises.

Child Care Services, Inc., of Minneapolis, Minnesota, provides in-home care of sick children to local residents and corporations, with fees based on a sliding scale. A 24-hour answering service is an integral part of the plan, which has health care workers on call from 6:30 a.m. to 10:30 p.m. Companies have found that fees for Child Care Services, Inc. are less than the cost of an absent worker.

Financial and Material Assistance for Child Care Services.

In addition to the models described above, there are other ways in which companies can become involved in child care services. Many make direct financial contributions to agencies that sponsor centers or other services, such as information and referral. Some companies support organizations advocating child care projects or work cooperatively with community institutions and agencies or unions to establish centers and other services. In addition, companies can subsidize programs through the provision of telephone, utilities, transportation, food services, health and first aid, and janitorial services, etc.

Another form of contribution is lending business expertise to local programs, such as help with accounting, management, training, tax preparation, advertising, and other forms of technical assistance. Companies can also supply industrial scrap and other materials that creative caregivers will use in a variety of ways to enrich the children's program.

D. Fringe Benefits and Employee Assistance

Questions may be raised about provision or subsidy of child care for one segment of the work force -- parents. However, those child care services are often offered to employees as one choice in a package of flexible benefits, which will simultaneously benefit all employees and the employer. Many companies already allow choices among savings plans, life insurance, and retirement designs. For instance, rather than applying credits to a retirement plan, a single parent may choose to spend more time with the children by selecting extra vacation days.

"Fringe" benefits average about $1 for every $3 in the worker's salary.[31] Corporate dollars are sometimes wasted on standardized benefits, whereas, with flexible compensation, benefits go only to those employees who want them. Flexible compensation, often referred to as the "cafeteria approach," has been extensively used by the American Can Company, TRW, Inc., and Educational Testing Service (ETS) of Princeton, New Jersey. The plan is relatively new, however, and is just beginning to be used as a method for providing child care services.

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[31] J. Perham, "New Life for Flexible Compensation," Duns Review, September 1978.

As more companies begin to use the "cafeteria approach" to fringe benefits, employees will expect to find child care benefits added to the five major areas usually offered: insurance, medical benefits, disability income, vacation, and a combination of retirement, capital accumulation and stock purchase plans. The vendor/voucher systems of child care may be one of the services offered most frequently.

Even without the direct or indirect provision of child care services, employers can respond to the needs of working parents by providing sensitive personnel policies. Some companies allow the employee to choose from a range of options, including these:

- flextime - The employee has flexible working hours.
- compressed time - The employee works more hours per day, fewer days per week.
- regular part-time - The employee works on a fractional year, month, week, or day basis.
- job pairing - Two or more people are responsible for completing one full-time job.
- task contracting - The employee is assigned a task, but the number of hours and particular time frame are not specified.
- in-home employment - The employee is supplied the necessary equipment and materials to work at home, eliminating the need for child care and the time and expense of travel, especially beneficial to handicapped employees.

Other employee-assistance programs help parents reconcile work and family responsibilities and help to reduce family stress, such as counseling for alcoholism and other personal and family problems, maternity- and paternity-leave policies, and sick-leave extensions that cover the serious illness of a child.

V. FACTORS ASSOCIATED WITH SUCCESS

Successful employment-related child care centers have several common characteristics. These include needs assessment, parent involvement, policies and administrative issues, and program and staffing. The general guidelines described below were gleaned from the literature and from conversations with center directors and child care consultants.

Needs Assessment

A thorough and competent needs assessment should be made. It documents the need for the service by both employer and employees and forms the basis for planning.

A planning group or task force representing labor, industry, and the community should be established. Members of this group should become familiar with information about child care programs and the available options in employment-related child care. These persons should be involved in both the planning and implementation of the project. In addition, experienced and competent consultants should be used when necessary, as determined by the planning committee.

Information should be gathered to:

a. determine the employees' child care needs

b. survey the available community resources

c. analyze the data and recommend a match between the identified needs and available resources.

A valid and realistic study is essential to the future success of the project. To secure the most accurate information, the study should be advertised in advance and the alternatives under consideration should be explained so that employees are not misled. Characteristics of a good assessment of corporate and employee needs are these:

a. The responses elicit expression of real needs. (Employees may be reluctant to admit that their present arrangements are inadequate. Exit interviews and surveys of former employees may provide helpful information.)

b. The study appraises productivity issues (i.e., absenteeism, morale) related to child-care.

c. The study distinguishes between "need," "current use," and "preference".

d. It incorporates data on transportation issues.

e. The findings are interpreted in terms of a non-existent product, i.e., provision for employment-related child care.

Parent Involvement

Continuous parent involvement ensures success, from representation on the original planning committee, through every phase of implementation, and as part of the on-going process of evaluation. Marilyn Kohane, former director of the Employee's Center for Young Children, Inc. (see page 13), which serves both employees of Merck and Company and the community, believes that the prime factor influencing success of a program is sensitivity to the needs of the families. They should feel comfortable visiting at any time, with no appointment necessary.

Policies and Administrative Issues

Once the most appropriate child-care structure is determined, everyone involved must understand and agree on policies and administrative procedures. There must be realistic expectations and commitments on such critical variables as the minimum initial enrollment of children and the starting dates. The long-range commitment of financial support from a sponsor, or its alternative -- an initial generous endowment, with the understanding that the program may never show a profit -- is essential to success. Abby Dodge, director of the Broadcaster's Child Development Center, advises that the budget must take into account a financial time lag, that period of time when teachers have been hired but the center is not receiving fees to cover their salaries.[32]

Program and Staffing

Finally, the greatest indicator of success, in a program of quality which meets the developmental needs of each child, is the personnel. In any center, caregivers should be professionally trained in child development and early childhood education. They are responsible for providing a rich environment that not only encourages spontaneity, creativity, learning, and language development, but also promotes the child's health through clean and safe facilities, exercise of small and large motor activities, and good health and nutrition education. The staff should be trained to identify physical and emotional problems early and to help the family locate community resources to support appropriate health care. As with any endeavor, the success of the program will depend on the people who plan and implement it. As Ann Allen and Sonia Werner, Co-Directors of Corning Children's Center, stated:[33]

"Caring for a future generation is a significant task that requires skill, maturity, good judgment and sensitivity. These attributes are gained through a combination of education and experience," Center administrators recommend hiring a director two to three months before the center opens, to set up the program, train teachers, publicize the center, recruit enrollments, and perform technical chores. "Try to have a good team in place before the center opens. Get people who share the same philosophy, work well together and have the same expectations," advised Abbey Dodge.[34]

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[32] P. Reeves, op. cit.

[33] The Corning Study: Solving the Puzzle of Industry-Sponsored Day Care, The Corning Children's Center, Corning, New York, 1981.

[34] Reeves, op. cit.

High staff turnover is to be avoided because of its negative effects on both children and parents. Miriam Kertzman, Director of the Stride-Rite Children's Center, Inc., points out the factors which reduce staff turnover: adequate pay, paid vacations, sick leave, fully-paid hospitalization insurance, and a share in management decisions, such as the hiring of new staff members.[35] With these factors in place, staff members take pride in the center and turnover is low -- staff are retained on an average of five years, seven months. "When staff needs are met, children and families benefit directly," she declares.

Where the program works well, all concerned are strong advocates of employment-related child care services. Amory Houghton, Jr., Chairman of the Board, Corning Glass Works, expresses his own enthusiasm for a service which has demonstrated its value:

> "I wish I could say I personally thought up the idea of a day care center or, at the very least, helped it into being. I didn't. What I did do was to believe in the people who suggested the idea because of who they were, then supported them. Finally, of course, the program carried itself. It was the right thing to do."[36]

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[35] M. Kertzman, "Stride-Rite Childrens Center, Inc.," Presentation at the Far West Lab for Educational Research and Development Conference, Employer Supported Child Care-An Idea Whose Time Has Come, San Francisco, California, May, 1980.

[36] The Corning Study, op. cit.

VI. EMPLOYMENT-RELATED CHILD CARE IN NEW JERSEY

To attract and retain industry, New Jersey has established an Economic Development Authority within the Department of Commerce which seeks to expand and diversify the economy of New Jersey, extend employment opportunities, and increase ratables within communities through tax-exempt financing, low cost loans, block grants, etc. Jobs, productivity, and re-industrialization of the state's economy are high priorities for New Jersey's political leaders.

New Jersey has high concentrations of urban areas, high unemployment, and a disproportionate number of persons enrolled in welfare and other government-subsidized programs. In such states, child care services can help parents join the labor force or enter into training. Yet, in 1979, even before the birth rate once again began to rise, an estimated half-million mothers in New Jersey needed child care in order to participate in the labor force.[37]

A. Current Status

New Jersey ranks forty-sixth among the 50 states in size, but is more heavily industrialized and more densely populated than Japan.[38] It contains 50 out of the top 100 business firms in the United States.

Ten percent of the nation's research dollars are expended here. It ranked tenth in exports and has the highest concentration of scientific and technical talent in the country. Despite all this, business, industry, and labor, while aware of the growing need for child care, have not proposed it seriously as a way to help boost the state's economy, while simultaneously offering benefits to mangement and labor.

Of the top 100 employers in New Jersey who collectively employ 473,928 workers, or 18.7 percent of New Jersey's non-agricultural, private sector labor force, only two companies currently offer child care services to employees--one directly sponsors an on-site center and another has provided start-up funds for an off-site center.

Five other corporations donate sporadically as a consortium to a center housed in a church, which donates space and in-kind services. Another consortium of companies is considering the use of a vendor system through its county Community Coordinated Child Care (4-C) organization. One company offers information and parenting programs to its 14,500 employees. A gambling casino has contracted with a private provider for an on-site drop-in center which serves patrons, not employees. A center at Sandy Hook (see page 16) uses U.S. Department of Commerce property to serve a consortium of government agencies.

Consistent with the trend nationwide, the number of hospitals providing child care services is growing. The country is experiencing a chronic shortage of nurses, and New Jersey is particularly vulnerable because it has difficulty competing with the salary scales of New York and Pennsylvania. Six of the

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[37] Child Care in New Jersey, New Jersey Department of Labor and Industry, 1979.

[38] New Jersey, The Garden State; Fertile Ground for Growth, New Jersey Department of Labor and Industry, 1981.

135 New Jersey hospitals in the 1981 American Hospital Association are already operating child care centers, and several others have completed an assessment of their needs. Night-time care is a critical need for several reasons: most nurses must rotate shifts; it is difficult to predict usage accurately; and it is also difficult to find qualified caregivers willing to work in a night-time program. One innovative hospital is considering "sick-child care" for employees, for which it would simply use a separate section of beds within the pediatric wing.

Colleges and universities in New Jersey have the greatest ratio of child care centers.[39] Out of 17 county colleges surveyed by phone, 11 had child care centers. All served children of students and faculty, and most included community children. The centers were funded partially by parent fees and by college subsidies, at least through the donation of space and in-kind services. In almost 50 percent of the cases, they received some Title XX funds. (It should be noted that federal reductions in support for social services threaten immediate curtailment of these programs.)

Of the 51 four-year colleges and universities responding (some colleges having several campuses), 22 had child care, all but one serving the children of both the faculty and students. These centers were financed by a combination of parent fees and institutional donations of space and services, with one reporting Title XX subsidies, as well. Since 15 of these are also used as demonstration or teaching labs for students of education or psychology, they cannot be considered as primarily employment-related.

B. Need for Action

Despite the high number of labor-intensive industries which require technical training and hire a large proportion of female workers (banks, insurance companies, and technology and research institutes), New Jersey lags behind its neighboring states in implementing employment-related child care programs.

The state is surrounded by employment-related child care activity:

> The Amalgamated Clothing and Textile Workers Union has centers for its members in New York, Pennsylvania, Maryland, and Virginia.
>
> The Institute for Scientific Information, Philadelphia, has built a $2 million dollar center ($1.1 million financed by a 13 percent Industrial Development Bond), which will sell day-care slots to other city businesses.
>
> New York State is increasing its employment-related child care facilities by offering free rent and up to $10,000 start-up money to 20 state-owned facilities.
>
> Washington, D.C., has at least five child care centers sponsored by government agencies and another sponsored by the Broadcasters Association.

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[39] An informal telephone survey was conducted during the spring of 1982 for the New Jersey Department of Education, Division of School Programs.

Increasingly, New Jersey employers and employees are studying the issue and engaging in planning activities. Because each company works in isolation, with little or no guidance or technical assistance to apprise them of the options and resources available to them, there is danger that their activities may be counter-productive, leading to misunderstandings, mis-information, and destructive employee-employer relationships.

Serious and systematic planning is warranted for an idea whose time has come. Among the questions which must be answered are these:

- Should state and national tax laws incorporate higher tax credits for child care?
- Should space for child care be included in new building construction through code regulation, as is "barrier-free access"?
- Should there be an office within state government that offers information about employment-related child care, as part of the concerted effort to stimulate the economy of New Jersey?

Industry-sponsored day care is "an idea that needs to be presented to companies as a basic responsibility, a self-serving responsibility," says the director of the St. Louis Day Care Association.[40]

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[40] D. Fischer, op. cit.

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Kertzman, M. "Stride-Rite Childrens Center, Inc." Presentation at the Far West Lab for Educational Research and Development Conference, Employer Supported Child Care - An Idea Whose Time Has Come, San Francisco, CA., May 1980.

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Prentice-Hall Federal Taxes 1981. Englewood Cliffs, N.J.: Prentice Hall, Inc., 1981.

Reeves, P. "A Simple Idea." Working Mother, March 1982.

Ramkin, D. "When Uncle Sam is the Baby Sitter." The New York Times, September 13, 1981.

Roth, R. "Amortization of Expenditures for Child Care Facilities." Taxes -The Tax Magazine, February 1979.

U.S. Bureau of the Census. Population Profile of the United States: 1980 (Current Population Reports, Series P-20, No. 363) Washington, D.C.: U.S. Government Printing Office, 1981.

United States Commission on Civil Rights. Child Care and Equal Opportunity for Women. Washington, D.C.: Clearinghouse Publication No. 67, 1981.

Weber, C., Foster, P. & Weikart, D. An Economic Analysis of the Ypsilanti Perry Preschool Project. Monographs of the High/Scope Educational Research Foundation, 1978, (No. 5)

Weber, R. & Tulloss, B. Industry and Child Care: Economic Implications (Unpublished manuscript written for N.J. Department of Labor and Industry, 1979). Available from New Jersey State Library No. 974.90 C536 and Dr. Richard Weber, Associate Professor of Economics, Monmouth College, West Long Branch, New Jersey.

Whitehead, J. "Who's Taking Care of the Children?" Family Circle Magazine, February 20, 1979.

Women's Bureau. Employees and Child Care: Establishing Services Through the Workplace. Washington, D.C.: U.S. Department of Labor, 1981 (Pamphlet 23).

VIII. APPENDICES

A. Resources
B. Annotated Bibliography

A. Resources

1. For information about licensing and program standards, contact:

Division of Youth and Family Services
Bureau of Licensing
1 South Montgomery Street
Trenton, New Jersey 08625
609-292-8167

Administration for Children, Youth and Families
U.S. Department of Health and Human Services
Office of Human Development Services
P. O. Box 1182
Washington, D.C. 20401

2. For information on Head Start Programs contact:

Head Start
Office of Human Development Services
Administration for Children, Youth and Families
U.S. Department of Health and Human Services
P.O. Box 1182
Washington, D.C. 20401

3. For information about federally funded child care centers, contact:

Department of Day Care
U.S. Department of Health and Human Services,
Region II
26 Federal Plaza
Room 4149
New York, New York 10278

Title XX Day Care Programs
Administration for Public Services
Department of Health and Human Services
Switzer Building
230 C Street, N.W.
Room 2215
Washington, D.C. 20201

Or the State Regional Offices of the Department of Human Services:

Metropolitan Regional (DYFS)
1180 Raymond Boulevard
Newark, New Jersey 07102

Northern Regional Office (DYFS)
100 Hamilton Plaza
Paterson, New Jersey 07505

Central Regional Office (DYFS)
719 Alexander Road
Princeton, New Jersey 08540

Southern Regional Office (DYFS)
R.D. #2, Box 37A
392 N. White Horse Pike
Hammonton, New Jersey 08037

4. For assistance in locating programs for children with special needs, contact:

Coordinator of Preschool Programs for Handicapped Children
Branch of Special Education and Pupil Personnel Services
New Jersey State Department of Education
225 West State Street
Trenton, New Jersey 08625
609-292-7610

Project Child Find
Division of School Programs
Bureau of Special Education and Pupil Personnel Services
New Jersey State Department of Education
225 West State Street
Trenton, New Jersey 08625
800-322-8174 (Toll Free)

Handicapped Preschool and School Programs
Bureau of Education for the Handicapped
Division of Education Services
OE-BEH Donohoe Building
400 Maryland Avenue, S.W.
Washington, D.C. 20202

5. For information about teacher certification requirements in New Jersey, contact:

County Superintendent of Schools
(Consult phone book in your area)

Branch of Teacher Education and Academic Credentials
Division of Field Services
New Jersey State Department of Education
P.O. Box 3181
Trenton, New Jersey 08619

6. For information on child care food programs within New Jersey contact:

Bureau of Child Nutrition
Division of Finance and Regulatory Services
New Jersey State Department of Education
225 West State Street
Trenton, New Jersey 08625
609-292-8527

7. For assistance in locating family day care home and training resources within your local area, contact:

State Chairperson, Family Day Care Association
4-C Office, Passaic County
14 West Broadway
Paterson, New Jersey 07505

Middlesex County College Day Care Center
Middlesex County College
Edison, New Jersey 08817
201-548-6000

You may also contact your local district office of the Division of Youth and Family Services. Consult the phone book in your area for phone and location. A local or county branch of 4-C (Community Coordinated Child Care Council) may also provide information about the range of programs in a given area, including family day care homes.

8. For materials on child care needs, resources, and standards, contact the following to request publication lists and catalogues:

Council for Exceptional Children
1920 Association Drive
Reston, Virginia 22091

Day Care and Child Development Council of America, Inc.
1602 17th Street, N.W.
Washington, D.C. 20005

Day Care Division
U.S. Department of Health and Human Services
Office of Human Development Services
L.S.D.S. Dept. 76
Washington, D.C. 20401
Ask for Publications Catalogue

ERIC Clearinghouse on Early Childhood Education
805 W. Pennsylvania Avenue
Urbana, Illinois 61801

Mental Health Materials Center
419 Park Avenue South
New York, New York 10016

National Association for the Education of Young Children
1834 Connecticut Avenue, N.W.
Washington, D.C. 21009

National Congress of Parents and Teachers
700 North Rush Street
Chicago, Illinois 60611

Play Schools Association
111 East 59th Street
New York, New York 10022

Society for Research in Child Development
University of Chicago
5801 Ellis Avenue
Chicago, Illinois 60637

Superintendent of Documents -- Ask for Catalogue
United States Government Printing Office
Washington, D.C. 20402

Teachers College
Columbia University
1234 Amsterdam Avenue
New York, New York 10027

U.S. Department of Labor
Women's Bureau
200 Constitution Avenue, N.W.
Washington, D.C. 20402

9. For materials pertaining to employment-related child care, contact the following sources:

Child Care Information Exchange
C-44
Redmond, Washington 98052

Child Care Information Service
363 East Villa
Pasadena, California 91101

Day Care Information Service
1406 Fenwick Lane
Silver Spring, Maryland 20910

U.S. Department of Labor
Womens Bureau
200 Constitution Avenue, N.W.
Washington, D.C. 20402

B. Annotated Bibliography

1. Readings on Administration

Cherry, C., Harkness, B., and Kuzma, K., Nursery School and Day Care Center Management Guide. Belmont: Fearon-Pitman Publishers, Inc., 1978. Comprehensive, practical and prepared in a loose-leaf format, it provides specific guidance on the mechanics of nursery school and day care center management. Topics treated are the following: administration, finance, space and equipment, staff management, enrollment, parent involvement, health, safety, program, community relationships, and food managment. The guide provides model letters, sample forms, etc.

Decker, C. and Decker, J., Planning and Administering Early Childhood Programs. Columbus, Ohio: Charles E. Merrill Publishing Co., 1980. This comprehensive text examines all aspects of administering a variety of programs, from establishing a philosophy, through planning and organizing the program, and assessing children's progress.

Evans, E., Shub, B., and Weinstein, M., Day Care. Boston, Mass.: Beacon Press, 1971. This is a practical, clearly-written description of how to plan, develop and operate a day care center.

Fowler, W., Infant and Child Care: A Guide to Education in Group Settings and Curriculum and Assessment Guide for Infant and Child Care. Boston, Mass.: Allyn and Bacon, Inc., 1980. A good blend of practical information and theory, this curriculum guide is especially useful for infant and toddler programs.

Galinsky, E. and Hooks, W., The New Extended Family. Boston, Mass.: Houghton Mifflin Co., 1977. This provides a good description of different types of programs and some factors that make them work.

Host, M. and Heller, P., Day Care Administration. United States Department of Health, Education, and Welfare, Office of Child Development. Washington, D.C.: Superintendent of Documents, United States Government Printing Office, 1971. As a practical handbook on all aspects of managing day care services, it has sample models that may be adapted for use in preparing applications, evaluations, and record keeping.

Lorton, J., and Walley, B., Introduction to Early Childhood Education. New York, New York: D. V. Nostrand Company, 1979. The material presented is a good blend of theory and practical information for beginners.

Provence, S., Naylor, A., and Patterson, J., The Challenge of Daycare. New Haven, Conn.: Yale University Press, 1977. Case studies from a pilot day care project clearly illustrate principles, policies, and recommendations for administering a professional program of high quality.

Sciarra, D. and Dorsey, A., Developing and Administering a Child Care Center. Boston, Mass.: Houghton Mifflin Co., 1979. Clearly written and well planned, it offers guidance in developing a professionally-administered program, and provides record-keeping models.

2. Curriculum

Fleming, B., Hamilton, D. and Kicks, J., Resources for Creative Teaching in Early Childhood Education. New York, New York: Harcourt, Brace & Jovanovich, Inc., 1977.

Hendick, J. Total Learning for the Whole Child. St. Louis, Mo.: The C.V. Mosby Co., 1980. Building upon the author's earlier book, The Whole Child, it blends theory and practice for students, caregivers and policy makers. It is organized by developmental areas within which appropriate curriculum and activities are discussed.

Highberger, R. and Schramm, C., Child Development for Day Care Workers. Boston, Mass.: Houghton Mifflin, 1976. Written for beginning students, this book presents basic information on learning theories and child development and suggests applications to day care programs.

Kritchensky, S. and Prescott, E., Planning Environments for Young Children. Washington, D.C.: National Association for the Education of Young Children, 1977. The authors discuss the specific use of space and equipment in arranging the physical environment for optimal educational experience.

Seefeldt, C., A Curriculum for Preschools. Columbus, Ohio: Charles E. Merrill Publishing Co., 1980. Written for staff members in early childhood programs, this book provides an overview, rationale, and practical guide for all areas of the preschool curriculum.

3. Standards

Child Welfare League of America, Standards for Day Care Service. Monograph. New York, N.Y.: CWLA, 1972. Written for professionals in clear, concise form, the book provides guidelines for a program of good quality. (Guidelines for Day Care Service, 1972 is a condensed adaptation of Standards for Day Care Service. This is a non-technical document which offers non-professionals a quick grasp of the essential components of day care.)

Mitchell, G., The Day Care Book. New York, N.Y.: Stein and Day, 1979. Written as a guide for parents to help them select good day care services for children, it provides quality indicators which are also useful for providers, policy makers, etc.

Ruopp, R., Travers, J., Glantz, F., Coelen C., Children at the Center (Final Report of the National Day Care Study, Administration for Children, Youth and Families, Department of Health, Education, and Welfare). Cambridge, Mass.: Abt Associates, Inc., 1979. This report draws conclusions about significant indicators of quality programming.

4. Employment-Related Child Care

Bured, S., The Effect of Child Care on Business. Speech delivered at California Technical Athenaeum. Available from Creative Partnerships for Child Care, Child Care Information Service, Pasadena, Ca., 1981. The author makes a clear statement of the problems, options, and benefits in employment-related child care.

Cannon, B., "Child Care When you Work." Ms. Magazine, April, 1978. The article offers helpful information on the models used to exemplify several of the options which are described.

Commission to Formulate a State Plan for Child Care and Development Services. Child Care and Development Services. California State Department of Education, Sacramento, Ca.: 1979. These are the recommendations of the Commission, with information on needs, services and projections.

Creque', B., Labor and Child Care. Alexandria, Va.: United Way of America, 1976. The publication provides a historical description of labor involvement and child care initiatives during the 1970's.

"Employer-Sponsored Day Care: Not Just Child's Play." Employee Relations Bulletin issued by the National Foremen's Institute, Waterford, Connecicut, January 21, 1982. Written by and for management, the article supports corporate-sponsored day care and cites several successful models.

Friedman, D., "Child Care in the 80's - Reaching Out to Business and Labor," Part 1 and Part 2. Child Care Information Exchange, September and November, Issue 15 and 16, 1980. A brief description of day care needs, the history of employer involvement, models of child care services provided by industry, and other service options.

Friedman, D. "Employers and Child Care Update - A Solution in Search of a Problem." Child Care Information Exchange, July-August, 1981. A series of articles describes options for employment-related child care, discusses both direct and indirect corporate involvement, the role of the union, strategies for involving the business community, and community resources; and provides an annotated bibliography.

Friedman, D., "Designing a Feasibility Study: A Starting Point for Considering New Management Initiatives for Working Parents." Paper prepared for the conference New Management Initiatives for Working Parents, Boston, Mass. April, 1981. The author describes different variables and sources of information to include in a needs assessment as well as a plan for choosing and implementing the most appropriate option.

Fooner, A., "The Bottom Line on Day Care." Inc., May, 1981. This is a clear overview of employment-related child care, using as case studies the centers established by Red Rope Industries and Abt Associates.

Galpern, L., "Quality Child Care is Everybody's Business." Interact, New Jersey State Department of Education, Trenton, New Jersey, March, 1982. The article describes the growing need for child care and the diminishing available resources, arguing that employment-related child care, in its various forms, is one viable solution offering mutual benefits for the employer and the employee.

Governor's Advisory Committee on Child Development Programs. Employer Sponsored Child Care. 1600 Ninth Street, Room 105, Sacramento, Ca.: 1981. Policy discussions of the Subcommittee on Employer-Sponsored Child Care are provided, with recommendations for state-wide action, and a helpful annotated bibliography.

Haiman, P. and Sud, G., Employer Supported Child Care: An Idea Whose Time Has Come. San Francisco, Ca.: Far West Laboratory for Educational Research and Development, May, 1980. (Eric Document Reproduction Service No. ED 201 400). These are the conference proceedings on the topic "Child Care as an Employee Benefit," covering costs and benefits, successful programs, company options, and current issues.

McDiarmil, D., Employer-Sponsored Child Care. Presentation, Conference on Child Care in the 80's, Virginia Division for Children. The problems, options, and benefits of employer-sponsored child care are clearly identified.

Milkovich, G. and Gomez, L. "Day Care and Selected Employment Work Behavior." Academy of Management Journal, March 1976. These are the findings of a study of worker turnover and absenteeism among employees at the Northside Child Development Center, which serves a consortium of companies.

Murray, K. "Parents at Work: Who'll Mind the Children?" San Francisco Business Journal, August, 1980. The article outlines the child care and business community relationship as it exists today, citing options with illustrative models, and briefly discussing tax consequences.

Office of the Governor, Departments of Revenue, Administration, and Human Resources; North Carolina. Helping Working Parents: Child Care Options for Business. Division of Policy Development, North Carolina Department of Administration, Raleigh, North Carolina, 1981. Written in clear, concise form, the booklet describes the seven most popular options, cites existing settings, and describes benefits, problems, and tax incentives for each.

Perham, J. "New Life for Flexible Compensation." Dun's Review, September 1978. The author describes a program of flexible employee fringe benefits in which credits will "buy" supplemental plans, extra vacation days, etc.

Perry, K.S. "Survey and Analysis of Employer-Sponsored Day Care in the United States" (Doctoral Dissertation, University of Wisconsin-Milwaukee, 1978). Dissertation Abstracts International, 39/09, p. 5305-A. (University Microfilms No. 79-05048). The dissertation describes all on-site centers sponsored by companies, hospitals, labor unions, government agencies, and military bases throughout the United States, including some programs which have closed.

Verzaro-Laureno, M., LeBlanc, D. and Hennon, C. "Industry-Related Day Care: Trends and Options." Young Children, January 1982. The authors present a comprehensive description of employment-related child care, the available options, tax incentives, advantages and disadvantages.

Weber, R. and Tulloss, B. Industry and Child Care: Economic Implications. Monmouth College, West Long Branch, New Jersey, 1979. This comprehensive document translates the costs of absenteeism, turnover, recruitment, etc. into dollars. It demonstrates that on-site child care, even without factoring in the additional support of parent fees and tax credits, can be cost effective.

Women's Bureau. Employers and Child Care: Establishing Services Through the Workplace. Washington, D.C.: United States Department of Labor, Office of Secretary, Pamphlet 23, January 1981. The most comprehensive and informative

guidebook currently available, it covers all aspects of employment-related child care and includes practical applications for every step in the process of providing services.

5. Economic Issues

Malone, Margaret. "Child Day Care: The Federal Role." The Library of Congress Congressional Research Service Major Issues System, October, 1981 (issue brief number 1B81027). The author documents government involvement in child care and the existing tax legislation.

Rankin, D. "When Uncle Sam is the Baby Sitter." The New York Times, September 13, 1981. The article explains child care tax credits for employees.

Roth, Randall. "Amortization of Expenditures for Child Care Facilities." Taxes - The Tax Magazine, February, 1979. This amplifies Code Section 188 of the Revenue Act of 1971 and its subsequent amendments.

Solomon, D. and Pollock, E. "Summary of Federal and California State Tax Incentives Relating to Child Care." Bay Area Child Care Law Project, San Francisco, Ca., 1980. The publication provides a simple, clear explanation of tax incentives for both employer and employee.

Tax Incentives for Employer-Sponsored Day Care Programs. Chicago, Illinois: Commerce Clearing House, Inc. 1980. A comprehensive guide to tax incentives, useful to employers planning day care programs.